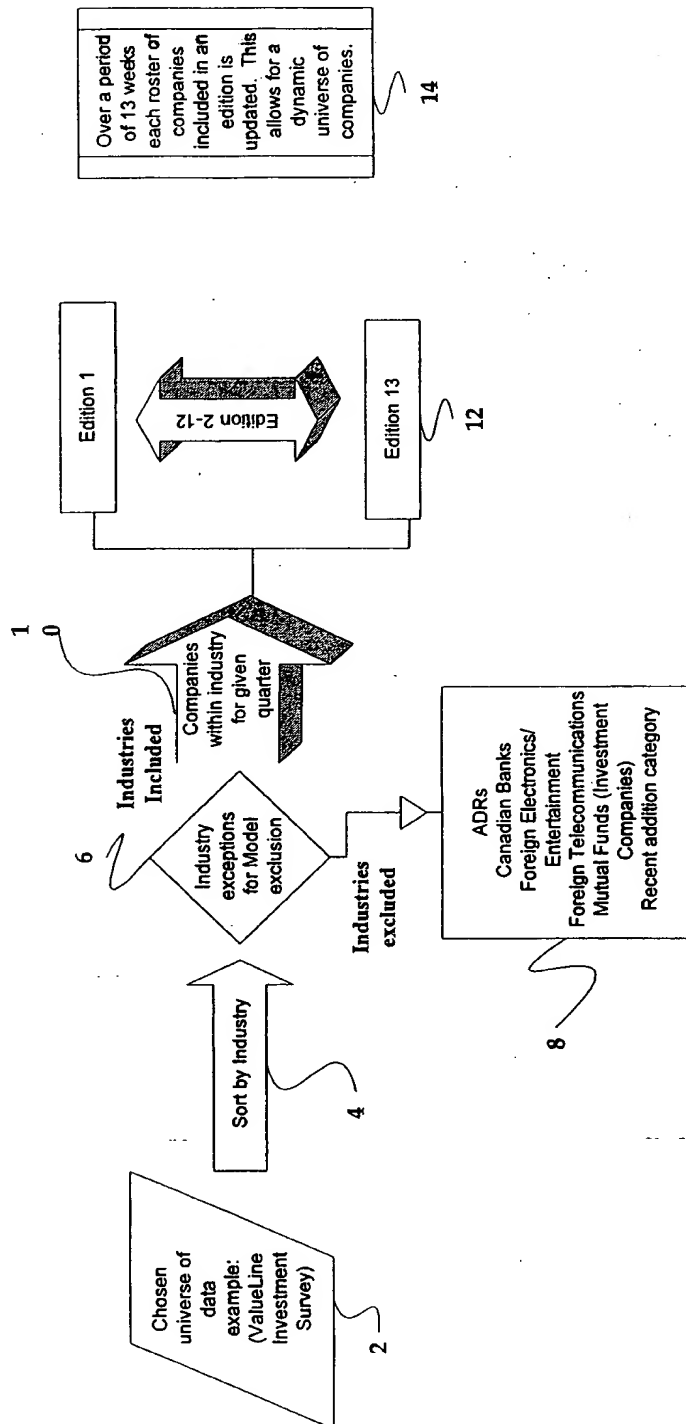




Data Frame Phase (Universe Determination)



The Data Frame Phase determines the industries, companies, and time period to be included into the Model.
A different (of 13) edition is updated weekly by ValueLine and aggregated monthly by the model, so over a period of 3 months, all editions are updated.

Figure 1

Data Intrusion Stage

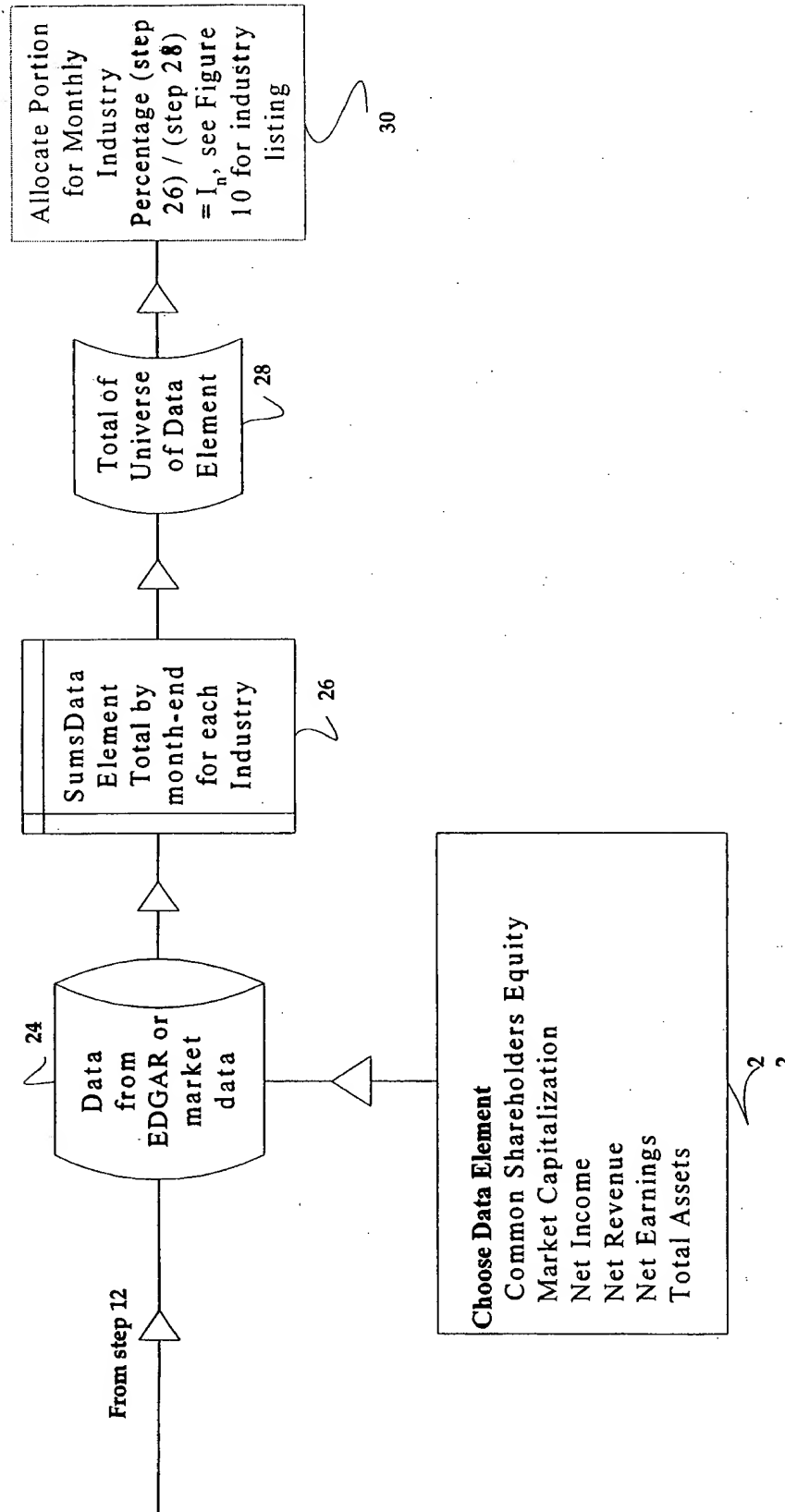


Figure 2

Industry Representation Process for Chosen
 Individual Allocation Limit
 Step 1

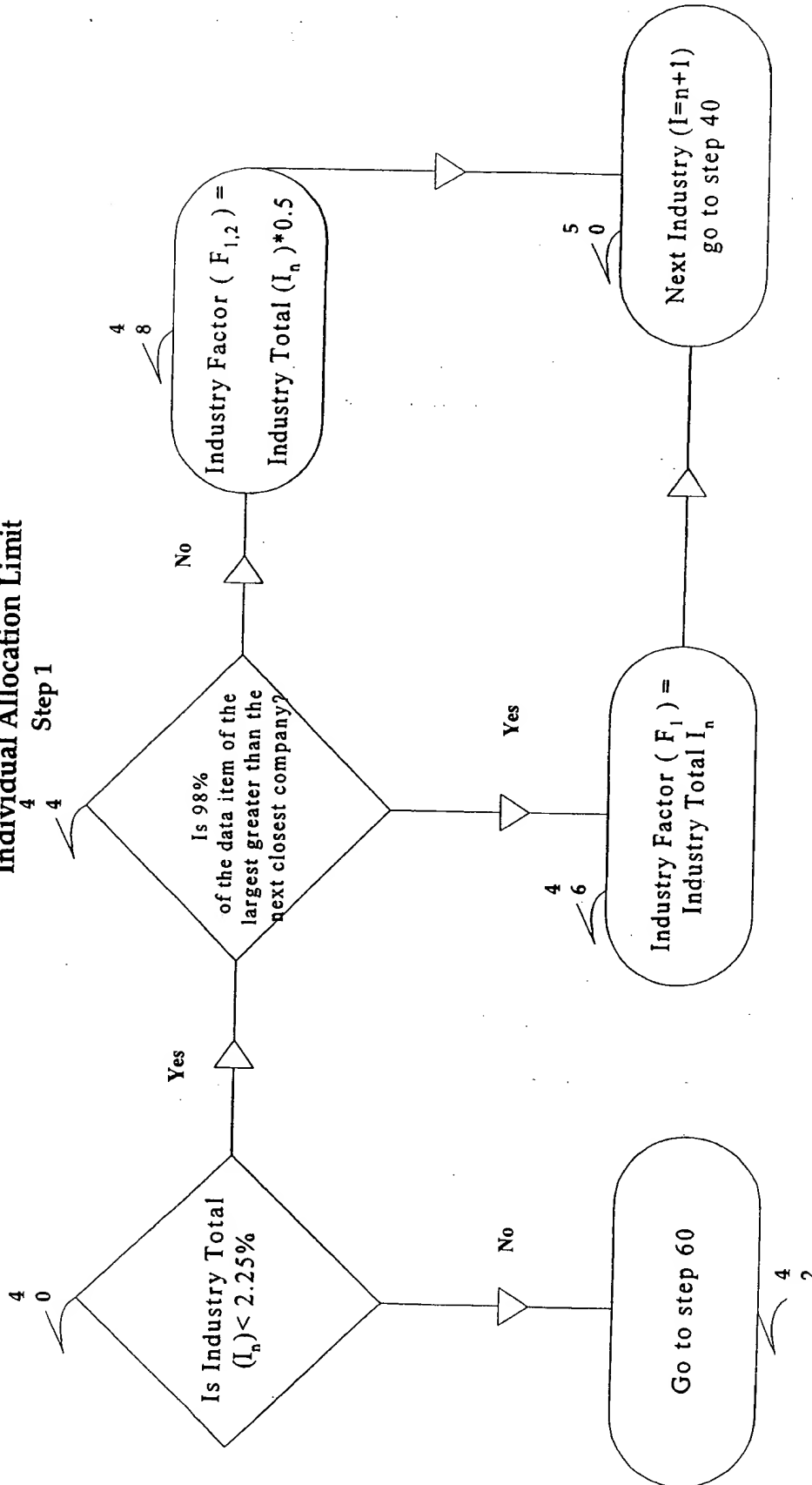


Figure 3

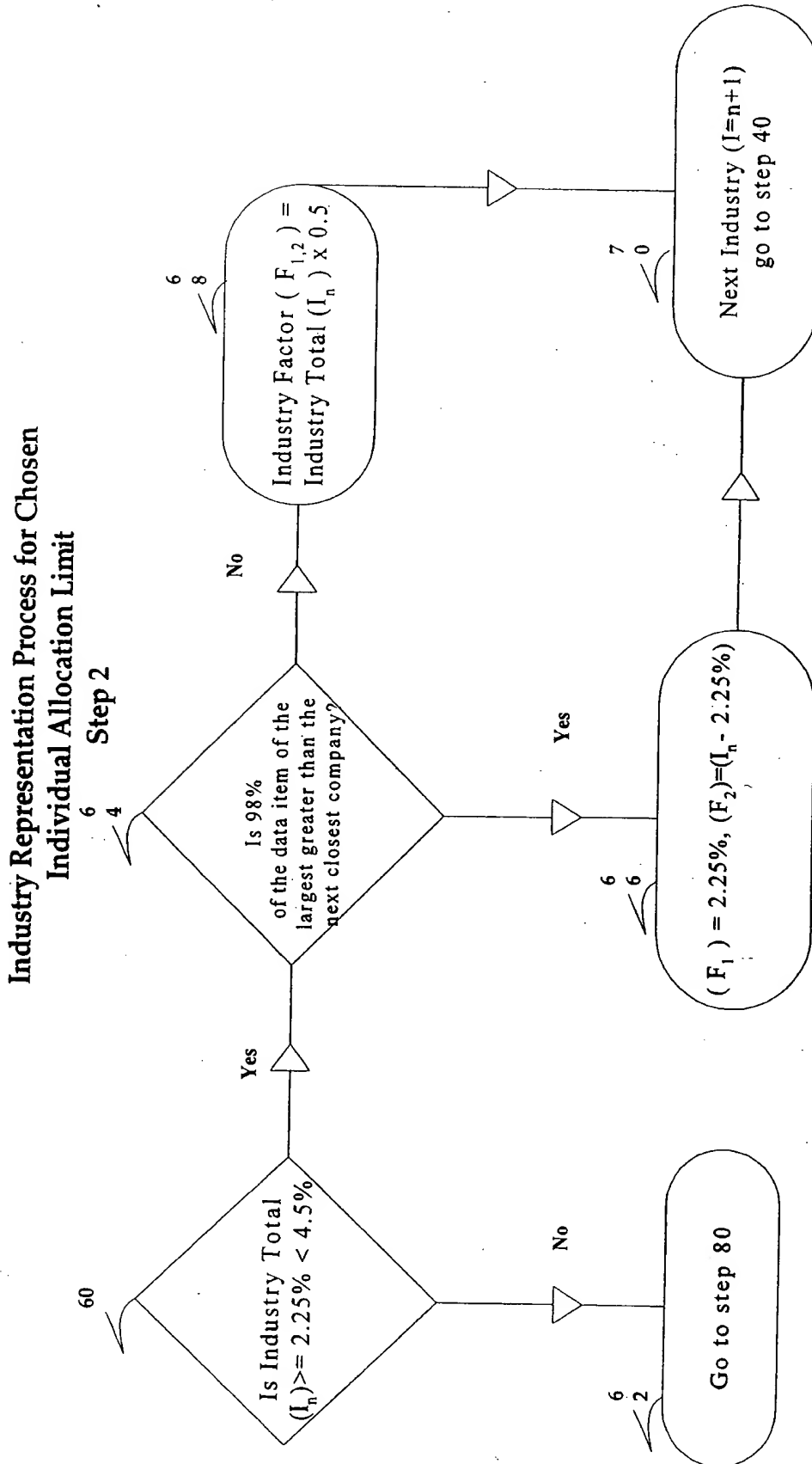


Figure 4

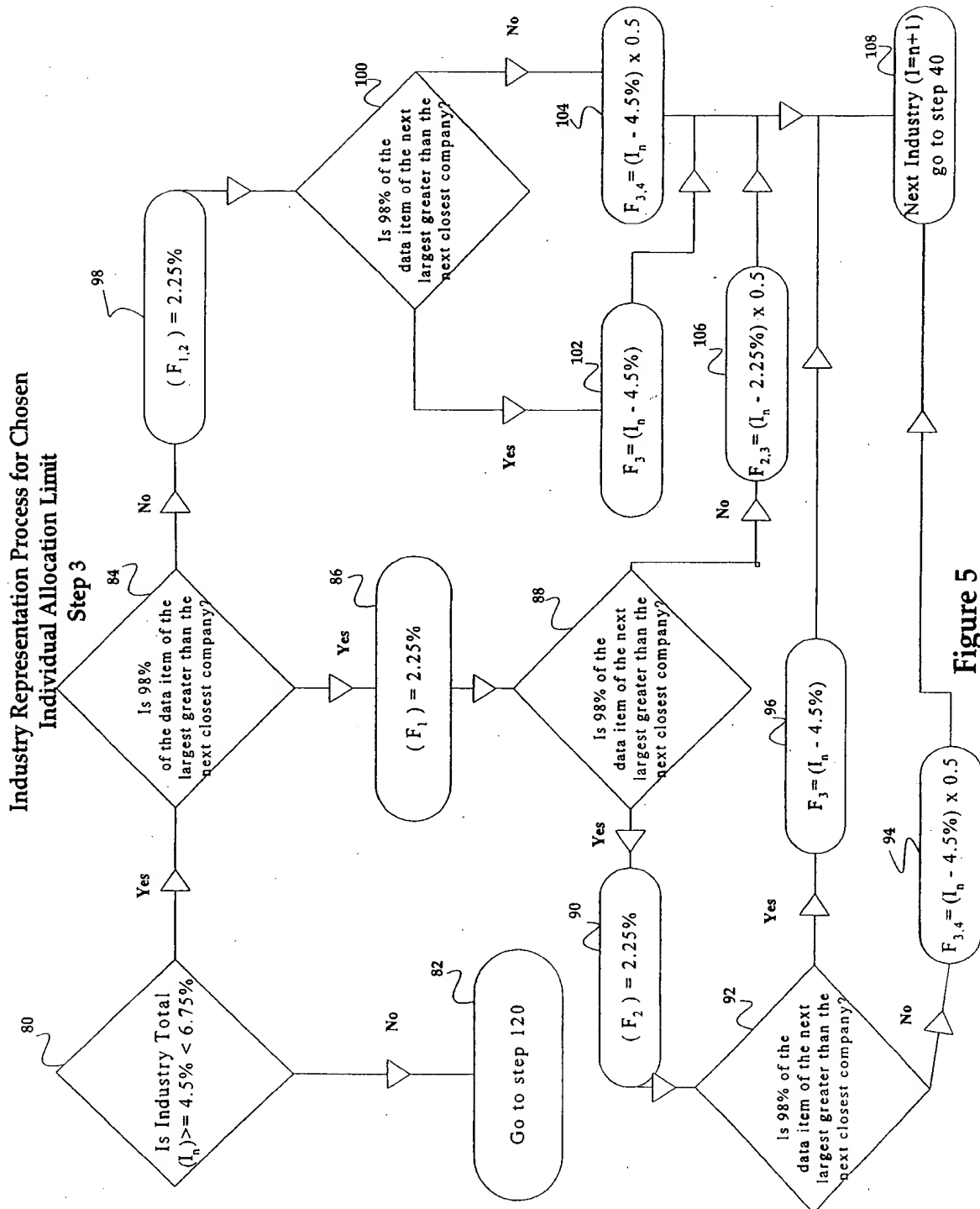


Figure 5

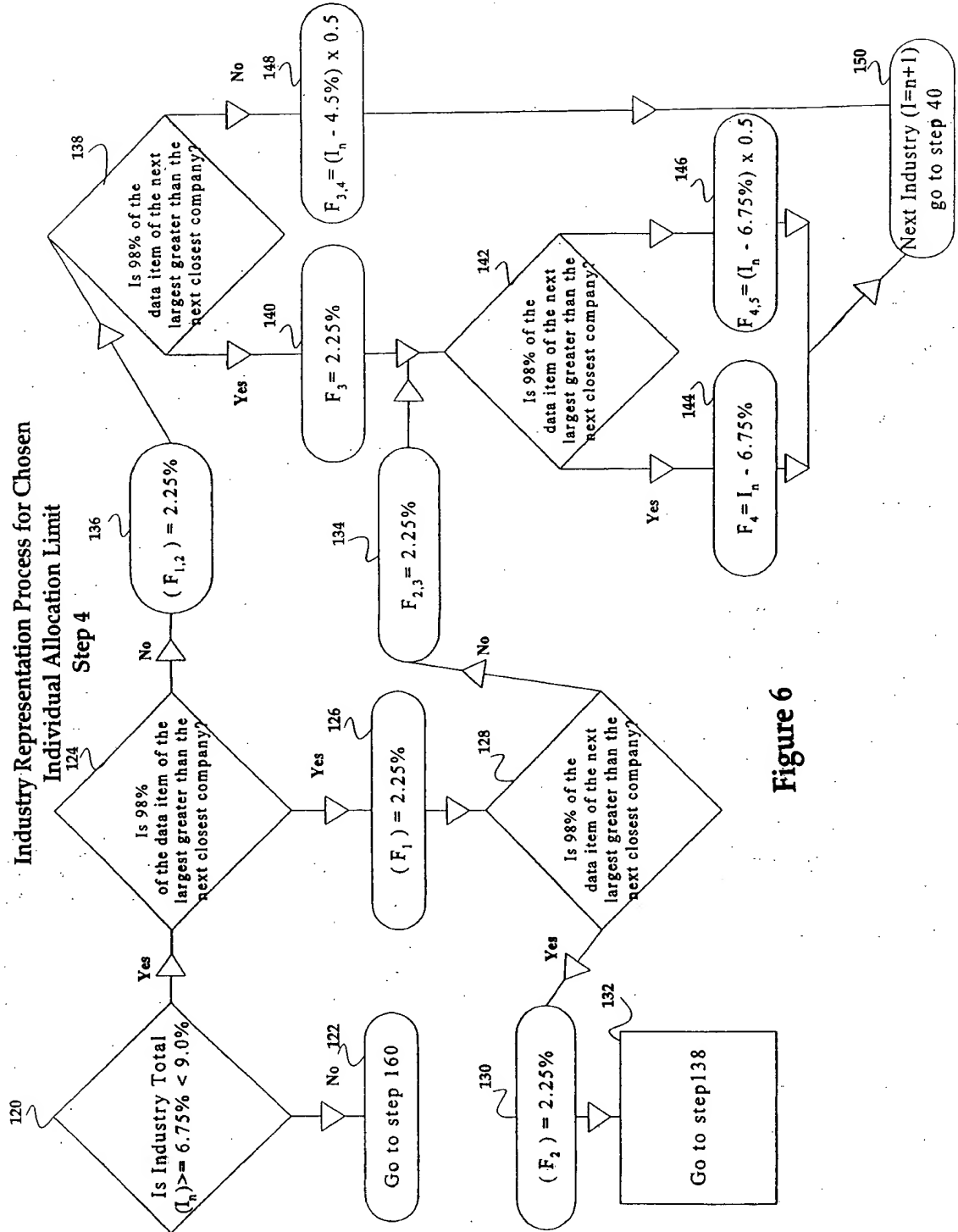


Figure 6

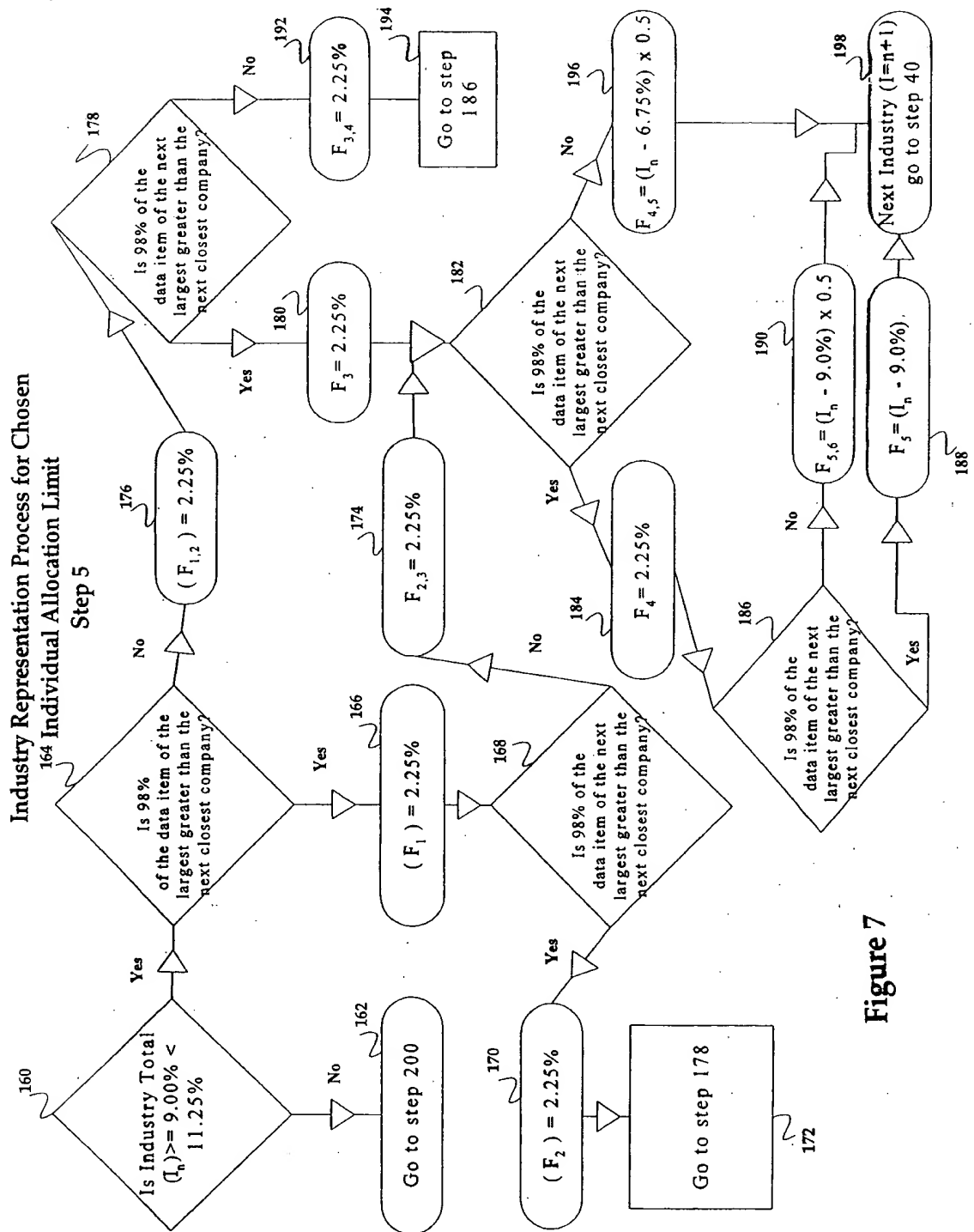


Figure 7

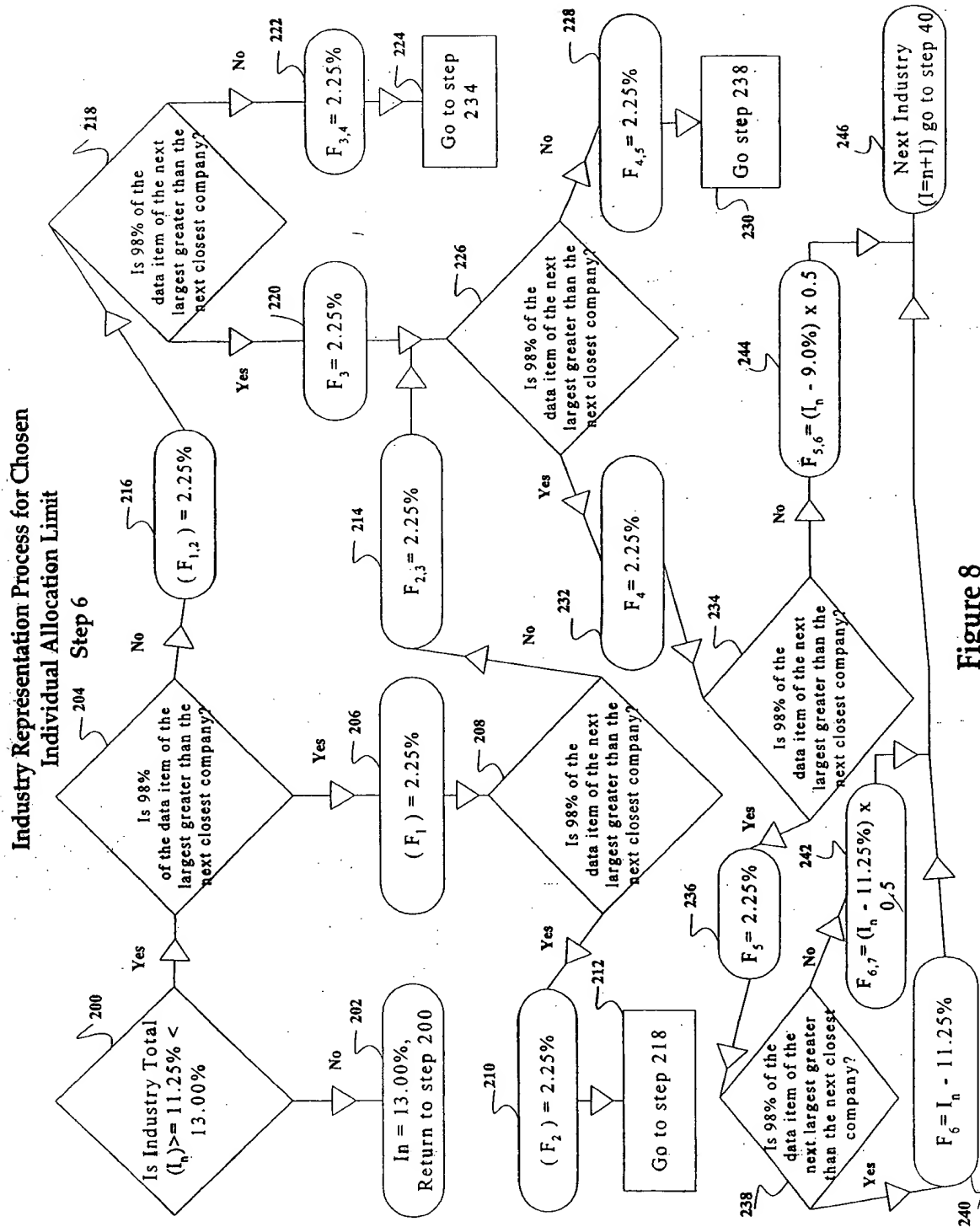


Figure 8

Model Mechanics

Variable Definitions:

F= Monthly investment factor (allocation n)

Pb= Price at beginning of month

Pe= Price at end of month

I_n = Industry(n)

C_z = Company(z)

j = number of Industries

k = number of companies within Industry

Inc_z = Company z within Industry n

BMValue = Value of Strategy model at end of preceding

month (value of 1000 12/31/86)

Value of individual investments
at the beginning of the month

$$\sum_{n=1}^k [\sum_{z=1}^j F(Inc_z) BMValue]$$

Value of Strategy Model
at the end of the month

$$\sum_{z=1}^k [\sum_{n=1}^j (F(Inc_z) BMValue / Pb(Inc_z)) Pe(Inc_z)]$$

note: For the majority of the industries, k equals 1. Most industries have only one representative. Please refer to the 12/31/99 industry list found in Figure 10.

Figure 9

REPLACEMENT SHEET

Title:- Apparatus and Method for Creating and Managing
 Appl.: Gerald P. Sullivan Appl. #: 09/624,732
 Atty. Docket #: 602-163-1U1 Customer #: 570

		Dec99 Factor	(%) GL 12/31/99
Advertising	Interpublic Group Cos. Inc.	0.13%	22.74%
Aerospace/Defense	Boeing Co.	1.31%	2.00%
Air Transport	AMR Corp	0.99%	10.06%
Apparel	VF Corporation	0.31%	1.15%
Auto & Truck	Ford Motor Company	1.55%	5.57%
Auto Parts OEM	Delphi Automotive Systems	0.33%	-0.98%
Auto Parts OEM	Magna International Inc.	0.33%	-3.00%
Auto Parts Replacement	Genuine Parts Co.	0.12%	-2.63%
Auto Parts Replacement	Tenneco Automotive Inc.	0.12%	18.25%
Bank	Bank of America Corp.	2.25%	-13.50%
Bank	Chase Manhattan Corp.	2.25%	0.57%
Bank	Wells Fargo Company	2.25%	-13.04%
Bank	Bank One Corp.	1.70%	-8.03%
Beverage (Alcoholic)	Seagram Co. Ltd.	0.65%	2.73%
Beverage (Soft Drinks)	Coca-Cola Co.	0.73%	-13.46%
Building Materials	Masco Corp.	0.27%	0.00%
Cable TV	Comcast Corp.	0.13%	11.89%
Cement & Aggregates	Lafarge Corp.	0.19%	2.31%
Chemical - Basic	Du Pont (E.I.) de Nemours	0.77%	10.83%
Chemical Diversified	Minnesota Mining & Mfg Co	0.78%	2.42%
Chemical Specialty	Rohm & Haas Co.	0.78%	13.12%
Computer and Peripherals	International Business Machines Corp.	2.25%	4.67%
Computer and Peripherals	Hewlett-Packard Co	1.21%	20.06%
Computer Software & Services	Microsoft Corp.	2.25%	28.23%
Computer Software & Services	Electronic Data Systems	0.24%	4.08%
Diversified	Tyco International Ltd.	1.87%	-2.62%
Drug	Merck & Co., Inc.	2.25%	-14.25%
Drug	Bristol-Myers Squibb Co.	0.14%	-12.07%
Drug	Pfizer Inc.	0.14%	-11.43%
Drugstore	Walgreen Co.	0.33%	0.43%
Educational Services	Sylvan Learning Systems Inc.	0.05%	-1.42%
Electric Utility Central	Texas Utilities Co.	2.17%	0.98%
Electric Utility East	Southern Co.	2.25%	0.53%
Electric Utility East	Duke Energy Corp.	0.46%	-1.11%
Electric Utility West	PG&E Corp.	1.07%	-7.04%
Electrical Equipment	General Electric Company	2.16%	19.24%
Electronics	JDS Uniphase Corp.	0.76%	41.04%
Entertainment	Walt Disney (Hldgs) Co	2.25%	4.93%
Entertainment	Viacom Inc.	0.14%	21.48%
Environmental	Waste Management Inc.	0.27%	1.48%
Financial Services Diversified	American International Group	2.25%	4.22%
Financial Services Diversified	Citigroup Inc.	2.25%	3.36%
Financial Services Diversified	American Express Company	0.53%	10.03%
Financial Services Diversified	Loews Corp.	0.53%	-5.18%
Food Processing	Unilever N.V.	1.68%	0.00%
Food Wholesalers	Supervalu Inc.	0.16%	2.89%
Furniture/Home Furnishings	Leggett & Platt Inc.	0.20%	0.00%
Gold/Silver Mining	Barrick Gold Corp.	0.27%	-1.74%
Grocery Store	Albertson's Inc.	0.63%	0.78%
Healthcare Information Systems	IMS Health Inc.	0.06%	15.38%
Home Appliance	Whirlpool Corp.	0.12%	6.66%
Homebuilding	Centex Corp.	0.27%	4.12%

Figure 10a

REPLACEMENT SHEET

Title: Apparatus and Method for Creating and Managing

Appl.: Gerald P. Sullivan Appl. #: 09/624,732

Atty. Docket #: 602-163-1U1 Customer #: 570

Hotel/Gaming	Park Place Entertainment Corp.	0.48%	-2.91%
Household Products	Procter & Gamble Co.	0.79%	1.45%
Industrial Services	Automation Inc.	0.64%	-0.67%
Insurance - Life	AXA Financial Inc.	1.09%	1.19%
Insurance - Property & Casualty	Berkshire Hathaway Inc.	2.25%	-1.88%
Insurance - Property & Casualty	Allstate Corp.	2.05%	-8.11%
Internet	At Home Corp.	0.65%	-11.60%
Machinery	Caterpillar Inc.	1.16%	1.48%
Manufactured Housing / RV	Clayton Homes Inc.	0.10%	-9.66%
Maritime	Alexander & Baldwin Inc.	0.07%	0.27%
Medical Services	Aetna Inc.	1.63%	2.17%
Medical Supplies	Johnson & Johnson	1.83%	-10.12%
Metal Fabricating	Illinois Tool Works	0.34%	4.62%
Metals & Mining	Alcoa Inc.	0.70%	26.72%
Natural Gas Distribution	KeySpan Corporation	0.41%	-9.29%
Natural Gas Diversified	Enron Corp.	1.09%	16.58%
Newspaper	Gannett Co. Inc.	0.55%	14.27%
Office Equipment & Supply	Xerox Corp.	0.60%	-16.39%
Oilfield Services	Schlumberger Ltd.	1.10%	-7.24%
Packaging & Container	Crown Cork & Seal Co. Inc.	0.38%	9.82%
Paper & Forest Products	International Paper Co.	1.52%	7.92%
Petroleum Integrated	Exxon Mobil Corp.	2.25%	1.58%
Petroleum Integrated	Royal Dutch Petroleum Company	2.25%	4.42%
Petroleum Integrated	Chevron Corporation	1.01%	-2.19%
Petroleum Producing	Burlington Resources Inc.	0.33%	-1.26%
Precision Instrument	Eastman Kodak Co.	0.37%	7.07%
Publishing	McGraw-Hill Companies Inc.	0.23%	8.71%
Railroad	Burlington Northern Santa Fe Corp.	1.25%	-15.97%
Recreation	Carnival Corp.	0.61%	8.36%
REIT	Equity Residential Props TR	0.61%	8.11%
Restaurant	McDonald's Corp.	0.61%	-11.87%
Retail Building Supply	Home Depot Inc.	0.59%	30.23%
Retail Special Lines	Toys R US Inc.	1.05%	-18.21%
Retail Store	Wal-Mart Stores Inc.	2.25%	20.04%
Retail Store	Penney (J.C.) Co.	0.21%	-10.64%
Securities Brokerage	Morgan Stanley Dean Witter & Company	1.87%	18.34%
Semiconductor	Intel Corp.	2.25%	7.33%
Semiconductor	Motorola Inc.	0.09%	26.29%
Semiconductor Capital Equipment	Applied Materials Inc.	0.20%	30.02%
Shoe	Nike Inc.	0.17%	8.01%
Steel (Integrated)	USX-U.S. Steel Group Inc.	0.20%	30.37%
Steel General	Nucor Corp.	0.20%	8.93%
Telecommunications Equipment	Lucent Technologies Inc.	1.22%	1.35%
Telecommunications Service	AT&T Corp.	2.25%	-8.67%
Telecommunications Service	Bell Atlantic Corp.	2.25%	-3.48%
Telecommunications Service	MCI Worldcom Inc.	2.25%	-3.74%
Telecommunications Service	SBC Communications Inc.	1.55%	-7.38%
Textile	Springs Industries Inc.	0.11%	0.67%
Thrift	Fannie Mae	1.63%	-6.29%
Tire & Rubber	Goodyear Tire & Rubber Co.	0.19%	-16.85%
Tobacco	Philip Morris Companies Inc.	0.79%	-10.55%
Toiletries/Cosmetics	Gillette Company	0.19%	2.65%
Trucking & Transport Leasing	Hertz Corp.	0.32%	18.46%
Water Utility	American Water Works Inc.	0.10%	-16.87%

Figure 10b

**Individual Representation Within Industry for
All Companies in the Selected Universe**

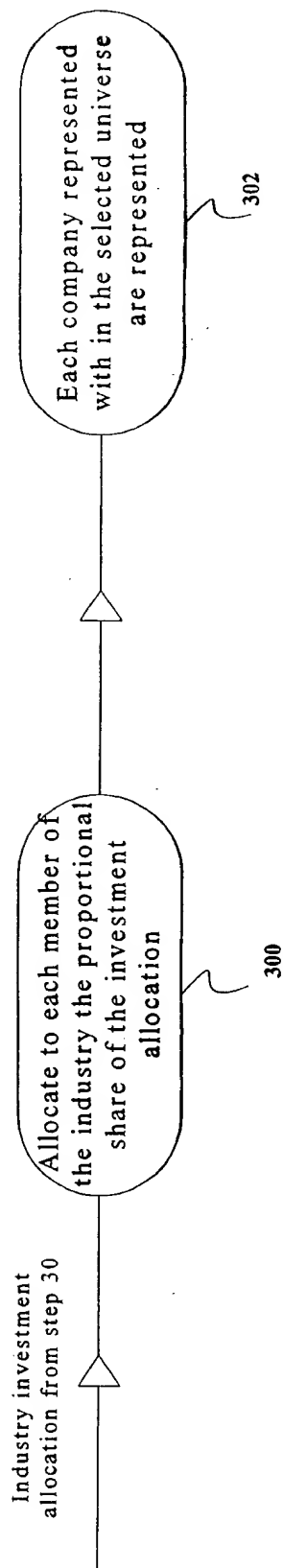


Figure 11